

**On-line Donor Behaviour: Proportional Donation  
Distribution between Administration Expenditure and  
Service Delivery**

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### **Abstract**

When donating to a charity there is an implied assumption that a proportion of the donation will be used to support the administration functions of the charity. The present study investigated whether it was possible to obtain direct donor support for the administration function of a charity. A ‘donation splitting’ technique was used, whereby participants could split a donation into a proportion that the charity could use for administration, and a proportion that could be used to deliver the charity’s programmes and services. Two experiments were conducted using an on-line format. All participants were reimbursed \$5 for participating, and this money was made available for the participants to donate with. The primary aim of Experiment 1 was to determine whether participants were willing to allocate a proportion of their donation directly to the administration function of the charity. Sixty-two students from the University of Canterbury participated in Experiment 1, with 37 participants making a donation to the charity. Results from Experiment 1 confirmed that it was possible to obtain direct donor support for administration. Experiment 2 aimed to replicate this finding, and to examine the influence that providing information about the charity’s administration expenditure had on the donation split. Sixty students from the University of Canterbury participated in Experiment 2, with 38 making a donation to the charity. Results from Experiment 2 replicated those of Experiment 1, and indicated that it may be beneficial for a charity to provide donors with information about the nature of their administration expenditure, but this information should be kept to a minimum. The donation splitting approach gives the donor an element of control over how their money is used, as well as providing the charity with valuable information to guide administration spending. Results are discussed in terms of how the donation splitting approach can help generate and maintain the public’s trust in a charity.

## **Introduction**

Many charities exist to provide a service to a beneficiary group using monies donated by the public. In New Zealand the number of charities registered under the Charity Act 2005, increased from 24,814 in 2010 to 25,785 in 2011, an addition of approximately 1000 new charities over a one-year period (Charities Commission, 2011). Given the continual increase in the number of charities, in conjunction with the current economic climate, government funding for the charitable sector is potentially decreasing. Consequently, charities must increasingly rely on the generosity of the public to fund their operations.

Many charities rely on traditional fundraising techniques to generate funds from the public, including street appeals and direct mail campaigns. Although these methods of fundraising are successful, often they are expensive and resource intensive. In contrast to traditional methods of fundraising, the Internet is a highly cost effective medium for charities to generate funds and raise awareness for their cause. Charities that utilize the Internet are provided with numerous benefits including the ability to attract and retain donors within a global community, a means to disseminate information, and the ability to gain wider visibility (Pinho & Macedo, 2006; Olsen, Keevers, Paul & Covington, 2001). Further, the Internet allows charities to collect donations on an on-going 24/7 basis from donors worldwide. Consequently, many charities have seen a substantial increase in funds generated through on-line donations (Bennett, 2009).

The Internet also provides a platform for charities to build and enhance relationships with their donors, volunteers and the community they serve (Goatman & Lewis, 2007; Hart, 2002). Having a website allows a charity to communicate information about how monies donated by the public are being used to deliver programmes and services to beneficiaries, and this information can be updated relatively cheaply and quickly. Research suggests that the provision of such information has a positive effect on the formation and development of donors' trust in a charity (Burt & Durham, 2009; Burt & Gibbons, 2010; Sargeant, Ford & West, 2006).

Trust is a key factor in a donor's willingness to make a donation to a charity (Sargeant, Ford & West, 2006; Sargeant & Woodliffe, 2007; Waters, 2010). Donor related trust is comprised of two key components: a dispositional component and a transactional component. Personality psychologists view dispositional trust as an individual's propensity to be more or less trusting. It is an individual difference variable that has its origins in the individual's early development (Rotter, 1967). Dispositional trust cannot readily be influenced by the actions of a charity. However, those individuals who are predisposed to be trusting may be more likely to trust an Internet-based charity.

Transactional trust, on the other hand, is related to the expectations about the behaviours of others (Wang & Emurian, 2005), and can be heavily influenced by the past and present actions of a charity. In most transactional relationships the consumer is able to evaluate the quality of the product or service provided by the vendor. If the consumer is satisfied with the product or service he or she will begin to trust the vendor, if the consumer is unsatisfied, his or her trust in the vendor will be undermined. In contrast, when a donor gives money to a charity he or she has little control over what happens to their donation after the transaction has been made. However, there is an expectation on behalf of the donor that the charity will use their donation in an efficient manner, although it is often difficult for the donor to determine whether this agreement has been fulfilled (Sargent & Lee, 2004). Thus, donor related transactional trust is formed on the belief a significant proportion of the monies donated to support a specific cause will be used by the charity to respond to that cause (Burt, in press), with the remainder being used for administration and fundraising purposes.

A charity's expenditure can be divided into three functional categories: *service delivery*, which relates to the programmes and services delivered by the charity; *fundraising*, which relates to the efforts to raise donations; and *administration*, which relates to the expenses associated with running the organization (Hagar, 2003). In this paper the term 'administration' encompasses



both fundraising and administration expenses. This splitting of funds into a component for administration and a component for service delivery is no trivial matter. Inevitably administration costs will differ between charities depending on various factors, including the size and age of the charity. For small or less established charities it is expensive to deliver programmes and services, and thus administration costs will be greater than for those charities that are already well established (Warwick, 1994; Yi, 2010).

Within a charity framework, efficiency refers to the proportion of a charity's total expenditure (budget) that is used to deliver programmes and services. Charities that spend a significant proportion their total expenditure on service delivery are considered to be operating in an efficient manner. It is important to mention that every charity will reach a ceiling point whereby no further savings can be made on administration expenditure. Researchers have found positive associations between measures of efficiency and public support (donations) (e.g. Callen, 1994; Chen; 2009; Greenlee & Brown, 1999; Jacobs & Marudas, 2009; Tinkelman, 1999; Weisbord & Dominquez, 1986). Further, field based experimental research has indicated that donors are more likely to make a donation to a charity when information about the efficiency of the charity is included with the fundraising appeal, rather than simply the appeal itself (Parsons, 2007).

The perceived efficiency of a charity is also central to the public's trust in the charity. For example, a recent telephone survey of 1150 adults in England and Wales undertaken on behalf of the Charity Commission (2010) found that the most important factor affecting the public's level of trust in charities was that a significant proportion of donations actually reached the end cause (i.e. service delivery). Further, experimental work undertaken by Burt and Dunham (2009) manipulated the perceived efficiency of a fictitious charity and found that participants were more likely to trust a charity that was perceived to be operating in an efficient manner.

Any suggestion however, that a charity is operating inefficiently (spending too much money on administration) will possibly undermine the public's trust in the charity. Unfortunately, it is

not difficult to find cases where a charity has mismanaged the funds entrusted to them. For example, the New Zealand media reported that in 2009 the Telethon charity KidsCan Charitable Trust spent more than 80% of the money it raised on administration (Van Beynen, 2009). Specifically, a mere 19 cents of every dollar raised was used to deliver programmes and services to the disadvantaged children for whom the monies were raised. Despite the mismanagement of funds by some charities, it is important to note that the charitable sector has yet to reach a “crisis of confidence” (O’Neil, 2009).

To ensure that trust is a priority area in the charitable sector a number of scholars have argued the need for charities to become more transparent in their accounting practices, their governance and what they have achieved with the resources entrusted to them (e.g. Burt, in press; Ebrahim & Weisband, 2007; Gibelman & Gleman, 2001). The fundamental reason behind the call for greater accountability in the charitable sector is that for trust to be developed and maintained, the public need to receive information about the financial performance of the charity. Further, the public must be satisfied with this information in order for trust to be developed.

In response to the call for increased accountability in the charitable sector a number of watchdog organizations are attempting to provide the public with detailed information about the financial performance of a large number of charities. Some of the more visible watchdog organizations include the Better Business Bureau ([www.bbb.org](http://www.bbb.org)), the American Institute of Philanthropy ([www.charitywatch.org](http://www.charitywatch.org)), and Charity Navigator ([www.charitynavigator.org](http://www.charitynavigator.org)). Research suggests that charities that meet accountability standards have an increased likelihood of acquiring donations from the public. Chen (2009) empirically investigated whether meeting the charity accountability standards developed by the Better Business Bureau would have an effect on public support. Results showed that meeting all of the charitable standards (see <http://www.bbb.org/us/Charity-Standards/>) was associated with a 30% increase in public support (donations).

The watchdog organizations mentioned above provide donors with standards for reasonable service delivery and administration expenditure (donation split). This information is extracted from a charity's financial records and mandatory tax returns. The American Institute of Philanthropy suggest that a minimum of 60% of a charity's total expenditure should be used to deliver programmes and services to beneficiaries. Similarly, the Better Business Bureau suggests that service delivery should account for at least 65% of a charity's total expenditure. Charity Navigator has more stringent standards, stating that at least 70% of a charity's total expenditure should be used for service delivery. Stated a different way, these organizations specify that it is reasonable for charities to allocate a maximum of between 30% and 40% of their total expenditure to administration expenditure with the remaining funds being used to deliver programmes and services.

A number of research papers have also provided recommendations for reasonable service delivery and administration expenditure in the charitable sector. These studies can be broadly categorised into studies that extract information from the financial records and mandatory tax returns of charities to determine the mean donation split of the charitable sector (Chen, 2009; Sargeant, Lee & Jay 2009), and studies that determine donors' perspectives of an acceptable donation split using survey data (Bennett & Savani, 2003; Harvey & McCrohan, 1988; Parsons, 2007). However, there is little consistency in the techniques used by researchers to determine the donation split. Some researchers calculate price, (e.g. Callen, 1994; Chen, 2007; Sargeant et al., 2009) which is defined as the cost to the donor to obtain \$1 of service delivery. Price is inversely related to the proportion of expenditure required for administration and fundraising purposes (Weisebrod & Dominguez, 1986) (see Jacobs & Marudas, 2009 for variations on price calculations). Other researchers calculate an efficiency ratio to determine the donation split. One efficiency ratio commonly used in the literature is administration expenditure as a percentage of total expenditure (ACE ratio) (e.g. Bennett & Savani, 2003; Sargeant et al., 2009).

Sargeant et al. (2009) undertook a benchmarking study to determine the mean donation split of the non-profit sector in the United Kingdom. Survey data was collected from 115 of the Top 500 Fundraising Charities (response rate = 23%). Respondents were asked to report all of their income generated from all of their fundraising activities. This information was taken from the trial accounts of the charities, not from their published accounts. Trial accounts were used as they portray a more accurate representation of expenditure and are less prone to misleading accounting practices, compared to published accounts (Sargeant & Jay, 2004). Sargeant et al. (2009) calculated an ACE ratio and found that respondents were spending an average of 18.5% ( $SD = 12.34$ ) of their total expenditure on fundraising and administration expenses.

Chen (2009) used information obtained from the Better Business Bureau to determine the mean donation split of charities based in New York. A total of 730 charities submitted data for analysis. Price information was extracted from the audited financial statements of the charity and calculated using the equation  $1 / (1 - \% \text{ fundraising} - \% \text{ administration})$ . Chen (2009) found that the mean price of obtaining \$1 for service delivery was \$1.28. Put another way, the charities analysed in Chen's study spent an average of \$0.78 of every dollar on service delivery.

In contrast to the research undertaken by Sargeant et al. (2009) and Chen (2009), a number of scholars have collected survey data to determine the donor's perspective of an acceptable donation split. Harvey and McCrohan (1988) collected survey data from over 5000 people. The respondents were asked retrospective questions about their prior donation behaviour and how they thought their money was used by a certain charity after they had made a donation. Specifically, one question asked respondents: "How many cents of every dollar people give to (charity name) do you think are actually used to help people through various programs and services?" One of eleven responses could be chosen, alternatives one to ten were listed in 10 cent increments and the eleventh answer was "don't know." Participants were also asked to indicate how much they had contributed to the same charity over the past 12 months. Harvey and

McCrohan (1988) found that respondents donated significantly more to the charity when they believed that at least 60 cents of every dollar was being used by the charity to deliver programmes and services. This suggests that respondents considered an acceptable donation split to be 40:60, administration to service delivery.

Similarity, Bennett and Savani (2003) examined the public's perceptions of an acceptable donation split. Survey data was collected from 180 respondents from the author's home university, and a further 100 members of the general public were given a verbal form of the survey administered by the author and a research assistant. One question asked participants to indicate what percentage of a charity's total expenditure they believed was used for administration, by choosing one of the following nine options: less than five percent; 6-10 percent; 11-20 percent; etc., through to 'more than 70 percent'. Results from the study indicated that on average respondents believed that administration costs accounted for around 30% of a charity's total yearly expenditure. Stated a different way, respondents considered an acceptable donation split to be in the region of 30:70, administration to service delivery.

Parsons (2007) undertook a laboratory experiment to evaluate the effectiveness of including financial information in a fundraising appeal, and in doing so obtained participants' opinions about an acceptable donation split. The participants ( $N = 283$ ) were randomly assigned to four experimental conditions, however only two conditions were of importance to the current study: the control group and the financial information group. Participants in the control group received the fundraising appeal and participants in the financial information group received the fundraising appeal as well as information about the financial performance of the charity in the form of charts and graphs. One question asked of participants: "In your opinion, what is the maximum acceptable proportion of income that a charity should spend on overhead and fundraising expenses?" is important to the current discussion. Parsons (2007) found that participants in the financial information group reported lowered estimates of administration

costs, compared to participants in the control group. That is, participants who received the financial information believed that it was acceptable for the charity to allocate 16% of its total expenditure to administration expenses whereas participants who received no financial information believed that it was acceptable for the charity to allocate 24% of its total expenditure to administration expenses.

While the research cited above provides useful information, it is difficult to determine exactly what constitutes an acceptable donation split. There is clearly a relationship between the donation split proportions and the public's trust in a charity (Burt & Dunham, 2009; Callen, 1994; Parsons, 2007; Tinkelman, 1999; Weisbord & Dominquez, 1986). At present, donors can use the financial information provided by watchdog organizations to make informed decisions about what charity to donate to. However, it is unknown whether members of the public agree with the standards delineated by watchdog organizations. A third way in which the donation split could be determined is to actually give donors the opportunity to split their donation into two components: administration and service delivery. It appears that no previous research has asked donors when they make a donation to split it into a proportion that the charity can use for administration and a proportion to deliver the charity's programmes and services. Examining the donation split in this way may help identify how donors wish their monies to be used, and should inform the 'price' value around which donor trust in the charity will be maintained. Broadly this was the aim of the current research.

### *Current Research*

At present, charities have little certainty about what proportion of every dollar can be spent on administration expenses without compromising donor trust. If donors are willing to split a donation into a proportion for administration and a proportion for service delivery, charities will have a better guideline as to what monies they can use for administration whilst developing and maintaining donor trust. It will also be possible to compare the proportion that the public donates

to administration (if indeed they will do this) with the charity's current spending on administration, and in doing this gain a perspective on whether their spending could be negatively influencing trust. That is, if current spending is significantly higher than the proportion donors are willing to give to administration then trust in the charity could be undermined.

Two experiments were carried out using an on-line format to determine whether participants were willing to make a donation directly to administration using a donation splitting technique. St John, a charitable organization that delivers products in the health and health-related fields, agreed to participate in the study.

### **Experiment 1**

The aim of Experiment 1 was to determine whether it was possible to obtain direct donor support for the administration function of the charity. Although donation intentions are predictive of actual donation behaviour (Cheung & Chan 2000; Fox & Carr, 2000) the current study asked participants for actual donations. Participants were reimbursed \$5 for participating in the study and this money was made available for participants to donate with (note all monies donated were forwarded to St John). Two experimental groups were created. In one group (*direct donation*) participants were given the opportunity to split their donation, and in the other group (*retrospective donation*) participants were asked to indicate what proportion of their donation they would be happy for the charity to use to cover administration costs, after they had donated and completed the measures section of the experiment. Trust in the charity (charity trust) was also measured, as well as two personality variables (altruism and trust), prior donating behaviour, and familiarity with the charity in order to control for these variables if necessary. The following hypotheses were formulated and tested:

**H1:** Participants in the *retrospective donation* group would allocate a larger proportion of their donation to administration compared to participants in the *direct donation* group.

**H2:** Participants who made a donation to the charity would give higher ratings of charity trust compared to those participants who chose not to make a donation.

## Method

### *Participants*

Sixty-two students from the University of Canterbury volunteered to participate in Experiment 1. Participants were recruited using one of two methods: all one hundred level Psychology students were contacted via email and asked to participate in the experiment, and flyers were placed around the University campus advertising the experiment. Eight males and 21 females ( $M_{age}=21.7$ ,  $SD = 3.8$ ) participated in the *direct donation* group. Eleven males and 22 females ( $M_{age}=21.7$ ,  $SD = 5.4$ ) participated in the *retrospective donation* group.

### *Procedure and Materials*

A between subjects design was used in both Experiment 1 and Experiment 2. Participants who volunteered for the study were randomly assigned to one of two experimental groups: *direct donation* or *retrospective donation*. A mock website was created for Experiment 1 (also used for Experiment 2) using Qualtrics Software (see Appendix A: B; C; D; E; F; G). The website consisted of a homepage and a donation page. The homepage was copied directly from St John's website with the addition of a 'No thank you' button which was added underneath the 'Donate now' button (see Appendix A).

Prior to starting the experiment participants were seated at a computer and given an information sheet to read which contained an informed consent statement and the following general instructions (see Appendix H):

The study will take approximately five minutes to complete. Upon completing this study you will be reimbursed \$5 for your participation. This study will require you to interact with a non-profit organization website. The homepage of the website is inactive with the exception of the 'Please donate now' and 'No thank you' buttons, which are active. During the study you will be given an opportunity to make a donation using your \$5 to St John. One hundred percent of your donation will be given to St John.



The same set of instructions was also used for Experiment 2. Once the participants had given their consent to participate in the experiment they were instructed to click the ‘survey link’ button on the computer screen when they were ready to start. Participants then looked at the charity website homepage and decided whether they wanted to make a donation by clicking the ‘Donate now’ button or the ‘No thank you’ button. Participants who indicated that they wanted to donate were navigated to the donation page and then the measures section, whereas participants who did not want to donate navigated directly to the measures section.

Participants in the *direct donation* condition, who indicated that they wanted to donate, were shown the following instructions (see Appendix B):

Thank you for indicating that you would like to donate to St John. Donated funds are used to deliver St John’s services and products, and also to support the administration function of the organization. Please indicate how you would like your donation to be used by St John by entering your donation amount into the boxes below. Then press the next button.

The participants were able to split their donation by entering a dollar value of between \$0 and \$5 into two boxes: one labelled ‘services and products’ and another labelled ‘administration costs.’ These two values were automatically summed in a box labelled ‘total’ that was directly underneath the ‘administration costs’ box.

The participants in the *retrospective donation* condition were shown the following instructions (see Appendix C):

Thank you for indicating that you would like to donate to St John. Please indicate how much you would like to donate to St John by entering your donation amount into the box below. Then press the next button.

The participants were required to enter a dollar value of between \$0 and \$5 into a box labelled ‘donation’ and a box directly below labelled ‘total’ automatically summed the donation amount.

In order for participants in both experimental groups to navigate to the measures section a numerical value had to be entered in the donation box(es). However, the total amount donated by every participant could not exceed \$5, as this was all that was made available to donate with.

After completing the measures section participants in the *retrospective donation* condition were navigated to another page (Appendix E) and asked the following question: “Please indicate what percentage of your donation you would be happy for St John to use for administration costs?”

Upon completing the study the participants who chose not to donate were reimbursed \$5 for participating and those participants who donated less than \$5 were given the remainder as reimbursement.

### *Measures*

The first page of the measures section asked participants for their demographic information (age, sex, how many times they had donated to charities in the last 12 months, familiarity with St John’s programmes and services). The next three pages of the measure section were scales measuring charity trust, dispositional altruism and dispositional trust (see Appendix D). The order in which the participants completed these three scales was counterbalanced to control for order effects.

Charity trust was measured using a five-item scale developed by Sargeant, Ford and West (2005). The words ‘this nonprofit’ were replaced with ‘St John’ in all five of the scale items to make the scale relevant to St John. An example scale item is ‘I would trust St John to always act in the best interest of the cause.’ Participants responded using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). All five-item ratings were summed and then divided by the number of scale items (5) to generate a charity trust score, with a possible range of 1 to 5. The coefficient alpha for this scale was 0.92.

The personality facet of altruism was measured using ten items selected from the International Personality Item Pool (2009). A sentence stem of ‘You tend to see yourself as someone who...’ preceded each item. An example scale item is ‘makes people feel welcome.’ Participants responded using a five point Likert scale (1 = strongly disagree to 5 = strongly agree). Five items were negatively keyed. These items were reverse scored and all ten items were

summed and then divided by the number of scale items (10) to form an altruism score, which could range from 1 to 5. The coefficient alpha for this scale was 0.85.

The personality facet of trust was measured using nine items selected from the International Personality Item Pool (2009). A sentence stem of ‘You tend to see yourself as someone who...’ preceded each item. An example scale item is ‘believe that people have good intentions.’ Participants responded using a five point Likert scale (1 = strongly disagree to 5 = strongly agree). Four items were negatively keyed. These items were reverse scored and all nine items were summed and then divided by the number of scale items (9) to form a dispositional trust score, which could range from 1 to 5. The coefficient alpha for this scale was 0.84.

The amount of time the participant spent viewing the website homepage, from when the homepage was loaded until when they navigated away from the homepage was measured.

## **Results**

Table 1 shows the means and standard deviations of the control variables for both experimental groups. Although participants were randomly assigned to the experimental groups it was important to examine the control variables to ensure that both experimental groups were equivalent. The homepage viewing time of participant two was incorrect as a result of a technical error. To resolve this issue the value was removed and replaced with the mean timing result ( $M = 19.27$ ).

Analysis of variance (ANOVA) was used to compare the experimental groups on website homepage viewing time, familiarity with St John, number of donations made over the past 12 months, the two personality variables (altruism and trust), and charity trust. Anova results are shown in the last column of Table 1, and indicate no significant difference between the experimental groups on the control variables. The number of donations made by participants over the past 12 months was the only variable approaching significance  $F(1, 60) = 3.685, p = .060$ . These results confirm that the two experimental groups were equivalent.

Table 1

*Means and Standard Deviations for Possible Covariates for Participants in Experiment 1*

	Direct Donation Condition ( <i>n</i> = 29)	Retrospective Donation Condition ( <i>n</i> = 33 )	ANOVA Comparison <i>F</i> ( 1, 60 ) =
Homepage Viewing Time	20.30 (18.65)	18.95 (17.59)	.086, ns
Familiarity with St John's Products and Services	2.97 (1.02)	2.67 (1.14)	1.177, ns
Number of Donations to a Charity in the Last 12 Months	3.34 (5.58)	1.39 (1.62)	3.685, ns
Dispositional Altruism	3.88 (0.44)	4.07 (0.55)	2.197, ns
Dispositional Trust	3.46 (0.70)	3.41 (0.55)	.082, ns
Charity Trust	4.36 (0.58)	4.36 (0.65)	.000, ns

Furthermore, 56.5% (*n* = 35) of the sample had made at least one donation to a charity over the past 12 months. This indicates that donating is an activity undertaken by the sample thus justifying the use of a student population.

#### *Donation behaviour*

Over both groups 37 participants made a donation: 17 participants in the *direct donation* group, and 20 participants in the *retrospective donation* group. A binomial test of proportional difference indicated that these proportions were not significantly different  $z = 0.159$ . The remaining 25 participants chose not to make a donation.

Table 2

*Means and Standard Deviations for Donating Participants in Experiment 1*

	Direct Donation Condition ( <i>n</i> = 17)	Retrospective Donation Condition ( <i>n</i> = 20)	ANOVA Comparison
Total Amount Donated (\$)	4.74 (1.09)	5.00 (0.00)	$F(1, 35) = 1.182$ , ns
Total Percentage Donated to Administration	11.18 (19.65)	41.03 (39.16)	$F(1, 35) = 8.114$ , $p < .01$

Table 2 shows the mean donation results and the standard deviations for the participants who made a donation in each group. These mean values are inclusive of those participants who indicated that zero dollars/percent of their donation could be used for administration purposes. To test the hypothesis that participants in the *retrospective donation* group would allocate a larger proportion of their donation to administration compared to participants in the *direct donation* group, the amount donated to administration (including participants that specified zero) in the *direct donation* group was converted into a percentage of the total donation and compared to the percentage values specified by participants in the *retrospective donation* group. ANOVA results shown in Table 2 indicate a significant difference between the two experimental groups on the percentage donated to, or could be used for, administration thus confirming Hypothesis 1.

Of the 37 participants who made a donation, 24 participants made a donation to administration (i.e. the amount specified was greater than zero): 5 participants in the *direct donation* group, and 19 participants in the *retrospective donation* group. A binomial test of proportional difference indicated that these proportions were significantly different  $z = 4.165$ ,  $p < .01$ . This finding suggests that asking a donor to specify what proportion of their donation can

be used for administration purposes subsequent to making a donation results in an apparent increase the donor's willingness to support the administration function of the charity.

### *Trust and donation behaviour*

Overall there was a significant difference in charity trust scores of those participants who made a donation ( $n = 37$ ,  $M = 4.52$ ,  $SD = 0.53$ ) compared to those participants who did not make a donation ( $n = 25$ ,  $M = 4.12$ ,  $SD = 0.66$ ),  $F(1, 60) = 6.970$ ,  $p < .01$ , thus confirming Hypothesis 2. Furthermore, a negative correlation was found between ratings of charity trust and the homepage viewing times of participants ( $r = -.21$ ,  $p < .05$ ). The viewing times (seconds) of the participants who made a donation ( $n = 37$ ,  $M = 16.04$ ,  $SD = 12.87$ ) compared to those participants who did not make a donation ( $n = 25$ ,  $M = 24.82$ ,  $SD = 22.87$ ), approached significance  $F(1, 60) = 3.723$   $p = .058$ . Collectively, these findings suggest that donors' who trust a specific charity spend less time deciding to make an on-line donation to that charity. The use of correlational analysis to examine the relationship between charity trust and the total amount donated was prohibited as all of the participants in the *retrospective donation* group who made a donation gave \$5 ( $SD=0$ ) causing a range restriction issue.

It is also worth mentioning that overall both personality measures were positively correlated with charity trust: dispositional altruism ( $n = 62$ ,  $r = .35$ ,  $p < .01$ ), dispositional trust ( $n = 62$ ,  $r = .31$ ,  $p < .05$ ).

## **Experiment 2**

The findings from Experiment 1 confirmed that participants were willing to give a proportion of their donation to the administration function of the charity. Experiment 2 aimed to replicate this finding, and also to determine whether varying the amount of financial accounting information given to participants on the donation page of the website influenced the donation split. Two experimental groups were used: in one group (*low information*) participants were given a percentage figure of the charity's administration expenditure and in the other group (*high*

*information*) participants were given a spreadsheet showing a detailed breakdown of the charity's administration expenditure. This information was taken directly from St John's 2010 financial report, thus the values shown to participants represented the charity's actual administration expenditure. The same control variables measured in Experiment 1 were measured again in Experiment 2 to ensure that the experimental groups were equivalent. The following two hypotheses were formulated and tested:

**H3:** Participants in the *high information* group would give higher ratings of charity trust compared to participants in the *low information* group.

**H4:** Participants in the *high information* group would allocate a larger proportion of their donation to administration, compared to participants in the *low information* group.

## Method

### *Participants*

Sixty undergraduate students from the University of Canterbury volunteered to participate in Experiment 2 (none had participated in Experiment 1). Participants in Experiment 2 were recruited using the same methods as participants in Experiment 1. The participants were randomly assigned to one of two experimental groups. Seven males and 25 females ( $M_{age} = 23.46$ ,  $SD = 6.4$ ) participated in the *low information* group. Nine males and 19 females ( $M_{age} = 23.4$ ,  $SD = 7.4$ ) participated in the *high information* group.

### *Procedures and Materials*

Experiment 2 used exactly the same procedures and materials as the *direct donation* condition of Experiment 1, with the exception of the information provided to participants on the donation page. Participants who indicated that they did not want to make a donation by clicking the 'No thank you' button were navigated to the measures section. Participants who indicated that they wanted to donate by clicking the 'Donate now' button were navigated to the donation page.

Participants in the *low information* condition were given the following information on the donation page (Appendix F):

A proportion of every dollar donated to St John is used to support the administration function of the organization. St John's administration expenses include personnel, supplies, vehicles and marketing activities. Of the monies donated to St John, 15.6 cents of every dollar is used to cover their administration expenses. Please indicate how you would like your donation to be used by St John by entering your donation amount into the boxes below. Then press the next button.

Participants in the *high information* condition were given the following information on the donation page (Appendix G):

A proportion of every dollar donated to St John is used to support the administration function of the organization. St John's administration expenses include personnel, supplies, vehicles and marketing activities. Please refer to the table below to see how St John uses monies for administration expenses.

<b>Administration Expenses</b>	<b>Percentage Cost (%)</b>
Personnel	22.9
Operating	0.7
Vehicles	0.2
Office	0.4
Computer/Communications	0.7
Marketing/Fundraising	31.1
External Fees	14.9
Depreciation	0.02
Levies	4.8
Apportioned costs	24.2
<i>Percentage of each dollar used for Administration</i>	<b>15.6</b>
<i>Percentage of each dollar used for Programmes and Services</i>	<b>84.4</b>

Please indicate how you would like your donation to be used by St John by entering your donation amount into the boxes below. Then press the next button.

Participants in both experimental groups were then required to enter a dollar amount, between \$0 and \$5, into two boxes. One box was labelled 'services and products' and the other box was labelled 'administration costs.' The two values entered by the participant were automatically summed in a box labelled 'total' that was directly underneath the 'administration costs' box. Again, the total amount donated by every participant could not exceed \$5, as this was all that was made available to donate with. After entering a value into both of the boxes, participants in



both experimental conditions were then required to click the ‘next’ button, which navigated them to the measures section. All of the participants were then required to complete the same scales as participants in Experiment 1. The coefficient alphas for the scales were as follows: dispositional altruism, .82; dispositional trust, .85; charity trust, .84.

## Results

Table 3 shows the means and standard deviations of the control variables for each experimental group.

Table 3

*Means and Standard Deviations for Possible Covariates for Participants in Experiment 2*

	Low Information Condition ( <i>n</i> = 32)	High Information Condition ( <i>n</i> = 28)	ANOVA Comparison <i>F</i> (1, 58) =
Homepage Viewing Time	34.24 (36.37)	23.22 (30.29)	1.593, ns
Familiarity with St John’s Products and Services	2.59 (1.01)	2.93 (0.86)	1.883, ns
Number of Donations to a Charity in the Last 12 Months	2.81 (4.05)	3.50 (8.85)	0.156, ns
Dispositional Altruism	4.05 (0.45)	3.96 (0.42)	0.731, ns
Dispositional Trust	3.47 (0.63)	3.56 (0.47)	0.398, ns
Charity Trust	4.21 (0.66)	4.31 (0.47)	0.520, ns

Anova results are shown in the last column of Table 3 and indicate no significant differences between the experimental groups for the control variables, confirming that the two experimental groups were equivalent. A comparison of the charity trust scores for each group revealed no

significant differences  $F(1,58) = 0.520, p = .474$ . Thus, Hypothesis 3, that ratings of charity trust would be higher in the *high information* group compared to the *low information* group, was not supported. Overall, 63.3% ( $n = 38$ ) of the sample had made at least one donation to a charity over the past 12 months. This indicates that donating is an activity undertaken by the sample, thus justifying the use of a student population in the experiment.

#### *Donation behaviour*

Thirty-eight participants made a donation to the charity: 19 participants in the *low information* group, and 19 participants in the *high information* group. A binomial test of proportional difference indicated that these proportions were not significantly different  $z = -0.680$ .

Table 4

#### *Means and Standard Deviations for Donating Participants in Experiment 2*

	Low Information Condition ( $n = 19$ )	High Information Condition ( $n = 19$ )	ANOVA Comparison
Total Amount Donated	5.00 (0.00)	5.00 (0.00)	
Total Percentage Donated to Administration	15.79 (21.16)	10.53 (23.45)	$F(1, 36) = 0.528$

Table 4 shows the mean donation results and the standard deviations for the participants who made a donation in each group. As with Experiment 1, the mean values for percentage donated to administration are inclusive of those participants who indicated that \$0 of their donation could be used for administration purposes. A comparison of the total percentage donated to administration for each group revealed no significant differences  $F(1,36) = 0.528, p = .472$ . Thus, Hypothesis 4, that participants in the *high information* group would give a larger

proportion of their donation to administration compared to participants in the *low information* group, was not supported. Of the 38 participants who made a donation, 13 participants made a donation to administration: 9 participants in the *low information* group, and 4 participants in the *high information* group. A binomial test of proportional difference indicated that these proportions were significantly different  $z = 1.709, p < .05$ . This finding suggests that providing more information about a charity's administration expenditure may decrease participants' willingness to donate to administration.

#### *Trust and donation behaviour*

As shown in Table 4, all participants who donated gave \$5 ( $SD=0$ ). This meant that it was not plausible to use correlational analysis to examine the relationship between ratings of charity trust and the total amount donated. No significant differences were found between the charity trust ratings of those participants who made a donation ( $n = 38, M = 4.30, SD = 0.54$ ) and those participants who did not make a donation ( $n = 22, M = 4.18, SD = 0.64$ )  $F(1,58) = 0.581, p = 0.449$ .

A negative correlation was found between ratings of charity trust and homepage viewing times ( $r = -.33, p < .01$ ), although a comparison of the viewing times of those participants who made a donation ( $n = 38, M = 27.46, SD = 35.33$ ) with those who did not make a donation ( $n = 22, M = 31.92, SD = 31.83$ ) revealed no significant differences,  $F(1,58) = .238, p = 0.628$ .

As with Experiment 1, overall both personality measures were positively correlated with charity trust: dispositional altruism ( $n = 60, r = .37, p < .01$ ), dispositional trust ( $n = 60, r = .47, p < .01$ ).

## **Discussion**

### *Summary of main findings*

The current research was conducted to investigate whether it was possible to obtain direct donor support for a charity's administration expenditure. A mock website was developed which

included a donation interface which allowed participants to split a donation into a proportion for administration and a proportion for service delivery. Participants were given \$5 as reimbursement for participating in the study, and this money was made available for participants to donate with. The aim of Experiment 1 was to determine whether it was possible to obtain direct donor support for administration expenses. Results from Experiment 1 confirmed that it was possible to obtain direct donor support for the administration function of a charity. Across both experimental conditions 59.7% ( $n = 37$ ) of the participants made a donation and 64.9% ( $n = 24$ ) of these participants indicated that a proportion of their donation could be used for administration. The proportion donated to administration was significantly lower when participants were asked to split their donation into two components, compared to when participants were asked to specify what percentage the charity could use for administration subsequent to making a donation.

Experiment 2 aimed to determine whether varying the amount of information given to participants about the charity's administration expenditure had an effect on the donation split. As with Experiment 1, results from Experiment 2 confirmed that it was possible to obtain direct donor support for administration. Across both experimental conditions 63.3% ( $n = 38$ ) of the participants made a donation and 34.2% ( $n = 13$ ) of these participants gave a proportion of their donation to administration. No significant differences were found in terms of the proportions donated to administration across the two experimental conditions, however significantly fewer participants made a donation to administration when they were shown a detailed breakdown of the charity's administration expenditure, compared to the participants who were shown a single percentage figure.

Although donors appear to have a clear idea about what represents an acceptable donation split (see Bennett & Savani, 2003; Harvey & McCrohan; Parsons, 2007), this appears to be the first study that has allowed donors to split an actual donation into two components. Across both

experiments, 30% ( $n = 37$ ) of the participants engaged in donation splitting (this excludes participants in the *retrospective donation* group of Experiment 1 as they did not directly engage in donation splitting), and they were happy for the charity to use between 10% and 16% of their donation for administration expenses. The values obtained from the donation splitting approach were consistent with the findings of Sargeant et al. (2007) and Chen (2009), which indicated that charities in both the UK and America were spending between 18.5% and 22% on administration respectively. In contrast to participants who engaged in donation splitting approach, participants in the *retrospective donation* group of Experiment 1 were happy for the charity to use approximately 40% of their donation for administration, which is in line with the recommendation of the watchdog organizations which are in the region of 30% to 40%.

Significantly fewer participants in Experiment 2 allocated a proportion of their donation to administration when they were shown a detailed breakdown of the charity's administration expenditure. It is only possible to speculate why this difference occurred, but participants may have been unwilling to support all the various costs associated with the charity's administration expenditure. Further, participants may have been overwhelmed with the amount of financial information shown on the donation page. As such, it is possible that the participants avoided reading or processing the information and as a result chose not to make a donation to administration.

In Experiment 1, ratings of charity trust were significantly higher for participants who made a donation compared to participants who did not make a donation. This finding is consistent with the literature that suggests that donors are more likely to financially support a charity that they trust (Sargeant, Ford & West, 2006; Sargeant & Woodliffe, 2007; Waters, 2010). In contrast to Experiment 1, in Experiment 2 no significant differences were found between ratings of charity trust and the participants' decision to make a donation.

### *Practical and theoretical implications*

The donation splitting approach provides charities with valuable information about the influence of administration spending on donors' trust perceptions. Research suggests that donors are more trusting of charities that are (perceived to be) operating in a efficient manner (Burt & Durham, 2009; Charity Commission, 2010; Waters, 2010), thus if there is little discrepancy between the proportions that donors are willing to allocate to administration and the actual amount that the charity requires for administration, this would suggest that the charity is operating in a way that the public believe to be satisfactory and thus it is unlikely that donor trust will be compromised. In contrast, if the proportions that donors are willing to allocate to administration are significantly lower than the actual amount that the charity requires for administration, this may be an indication that the charity is operating inefficiently and thus donor trust might be undermined. This discrepancy may be an indication that the charity needs to review their administration expenditure to determine whether any savings can be made. If the charity is operating as efficiently as possible (i.e. no further savings can be made) it may be beneficial to educate donors about their administration expenses, and why these are both necessary and important. However, results from Experiment 2 suggest that information about the charity's administration expenditure should be kept to a minimum.

The donation splitting approach is similar to the third party gifting approach, which allows the donor to purchase a gift from a range of gifting options, such as schoolbooks. The gift (school books) is then given to a third world beneficiary and the donor receives a certificate of purchase that can be given as a gift to a friend. The third party gifting approach gives donors an element of certainty over how their donation is used by the charity. Similarly, the donation splitting approach also provides the donor with a sense of certainty over how their donation is used by a charity as donors are able to specify the exact amount that they want to reach the end cause. Research suggests that donors who have had a third party gifting experience are more

trusting of charities (Kemp, Richardson & Burt, 2011). A similar finding may result if donors are given the opportunity to choose what proportion of their donation can be used for administration purposes and what proportion can be used to deliver the charity's programmes and services.

#### *Future research*

Interestingly, the proportions donated to administration in the current study were reflective of what the charity actually needed in the way of funds to run their operations. Future research could examine whether a charity's administration expenses have an effect on the donation split. That is, would donors allocate a greater proportion of their donation to administration if the administration expenses of a charity accounted for a significant proportion (e.g., greater than 40%) of their total expenditure? This finding would help to determine whether donors have a figure in mind that they generally consider to be an acceptable amount for a charity to spend on administration or whether a more rational approach is taken whereby the amount donated to administration varies depending on the circumstances of the charity.

#### *Study Limitations*

One limitation of the current study is that in order to proceed to the measures section, the participants were required to enter a dollar amount, of between \$0 and \$5, into the boxes provided on the donation page. Although participants could enter a value of zero, this approach forced participants to split their donation into two components (with the exception of participants in the *retrospective donation* group). This approach is unlikely to work with actual donors as it may cause some confusion over why they cannot submit their donation after they have made a pledge. On the other hand, the procedure did force participants to be very clear in how they wished their donation to be used. Entering zero in the administration donation box was a clear signal that no money was donated to that aspect of the charity.

Another limitation of the current study was that the research was experimental. As such, the findings may not replicate when actual donors are given the opportunity to split a monetary

donation. Field research could investigate whether members of the donating public are willing to split a monetary donation into a component the charity can use for administration and a component that can be used for service delivery.

Finally, the participants were only permitted to donate a maximum of \$5 to the charity, as this was the amount they were given as reimbursement for participating in the experiment (and it was thus possible to ensure that every participant had this amount to consider using as a donation). As \$5 is a reasonably small amount of money to donate to a charity, the proportional split may differ when large amounts of money are donated. It is possible that when actual donors are asked to split a large donation, the proportion donated to service delivery may overshadow the proportion to administration. It is also possible that donations to administration may be perceived as an additional donation rather than a division of the total donation. This assumption is supported by findings from current study. The *retrospective donation* group of Experiment 1 had the largest number of participants who made a donation to administration, and the mean percentage donated to administration was also the highest in this group. As such, it may be advantages to allow donors to allocate a percentage of their total donation to administration rather than asking for a dollar amount.

### *Conclusion*

The present study aimed to find evidence that the donation splitting approach is achievable. Both experiments confirm that participants were willing to allocate a proportion of their donation to the administration function of the charity. This finding suggests that charities can and should do more than simply ask donors to specify the amount that they want to donate when making an on-line donation. The donation splitting approach provides donors with the means to control how their donation is used by the charity, and this may have a positive effect on the development and maintenance of trust in a charity. Further, the donation splitting approach provides the charity



with a degree of certainty about what proportion of every dollar donated can be used for administration expenditure without compromising the public's trust.

Charities that are already utilizing the Internet for fundraising purposes would benefit from re-designing their donation interface to incorporate the donation splitting approach. Charities that adopt the technique may be provided with a competitive edge and are likely to reap the benefits associated with allowing donors to specify how their donation is used by the charity.

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## Appendices

### Appendix A: Website homepage for Experiment 1 and Experiment 2


Please note web pages are not to scale







Please indicate whether you would like to make a donation to St John by clicking the 'Please donate now' or 'No thank you' buttons. Please remember that all the other links are inactive.

[Home](#)
[About St John](#)
[What we do](#)
[Join St John](#)
[News](#)
[Support St John](#)
[Useful info](#)
[Members](#)
[Youth](#)
[Shop](#)



[Please donate now](#)
[No thank you](#)



#### First Aid Training Courses

Select a Training Course:

First Aid Level 1

Where: Northland

When: Jul-2011


Attending: 1

[Find Now >](#)

To call for an ambulance in an emergency phone 111


When to call 111 and ask for ambulance?

#### Quick links



Training Courses

[» Courses and overviews](#)




First Aid Kits and Supplies

[» Visit the Online Shop](#)

[» Automated External Defibrillators \(AEDs\)](#)


[» First Aid Kits and Supplies](#)



Patient Part Charges

[» Overview](#)


#### Quick links



Event Services

[» Overview](#)

[» Book online](#)




Donations

[» Make a donation online](#)

[» Supporter Scheme](#)

[» Requests](#)



Volunteer

[» About Volunteering](#)

[» Expression of interest form](#)

#### PRIME

[» Overview](#)

[» Book online](#)

[» Sign on for practices](#)

#### Recent news

7 Jul 2011  
**St John helped save her life - so Grace says thank you, and donates \$5,000**  
[» more](#)

5 Jul 2011  
**A handbag- sized heartstarter has been donated to St John by Rotary to save lives locally.**  
[» more](#)

Other Recent News



#### twitter

Thank you so much to Invercargillite Louis Crimp who after being treated by volunteers was so touched he donated \$1m to Southland St John. [5 days ago](#)

St John has achieved a growth milestone of 2500 members involved in its Youth programme in its Northern region! Go ST John Youth! [13 days ago](#)

A HUGE thanks to everyone who donated to our cause - saving the lives of Kiwis 365 days a year. Your generosity makes it possible. THANKS! [15 days ago](#)

Follow us on Facebook and Twitter:

Subscribe to our First Aid e-newsletter

[Click here to JOIN](#)

*Appendix B: Donation page used in the direct donation condition of Experiment 1.*

St John  
first to care

Working Together  
St John | ASB

Thank you for indicating that you would like to donate to St John. Donated funds are used to deliver St John's services and products, and also to support the administration function of the organisation. Please indicate how you would like your donation to be used by St John by entering your donation amount into the boxes below. Then press the next button.

St John services and products	\$ <input type="text" value="0"/>
St John administration costs	\$ <input type="text" value="0"/>
<b>Total</b>	\$ <input type="text" value="0"/>

Survey Powered By [Qualtrics](#)

>>

*Appendix C: Donation page used in the retrospective donation condition of Experiment 1.*

St John  
first to care

Working Together  
St John | ASB

Thank you for indicating that you would like to donate to St John. Please indicate how much would you like to donate to St John by entering your donation amount into the box below. Then press the next button.

Donation	\$ <input type="text" value="0"/>
<b>Total</b>	\$ <input type="text" value="0"/>

Survey Powered By [Qualtrics](#)

>>



*Appendix D: Demographic information and scales used in both Experiment 1 and Experiment 2**Demographic information*

**St John**  
first to care

Working Together  
St John | ASB

Please indicate your sex

☐ Male

☐ Female

Please indicate your age

Age

How many times have you donated to a charity in the last 12 months?


Number of donations

Please indicate how familiar you are with St Johns products and services prior to completing this study.



☐ Not at all familiar   ☐ Slightly familiar   ☐ Somewhat familiar   ☐ Moderately familiar   ☐ Extremely familiar

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### Dispositional altruism scale




Working Together

Please answer the following questions about yourself by giving a rating from strongly disagree to strongly agree.


	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
You tend to see yourself as someone who makes people feel welcome.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who anticipates the needs of others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who loves to help others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who is concerned about others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who has a good word for everyone.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who looks down on others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who is indifferent to the feelings of others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who makes people feel uncomfortable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who turns your back on others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who takes no time for others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Dispositional trust scale



**St John**  
first to care

Working Together




Please answer the following questions about yourself by giving a rating from strongly disagree to strongly agree.



	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
You tend to see yourself as someone who trusts others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who believes that others have good intentions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who trusts what people say.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who believes that people are basically moral.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who believes in human goodness.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who distrusts people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who suspects hidden motives in others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who is wary of others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You tend to see yourself as someone who believes that people are essentially evil.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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### Charity trust scale









Please answer the following questions about St John.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I would trust St John to always act in the best interest of the cause	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would trust St John to conduct their operations ethically	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would trust St John to use donated funds appropriately	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would trust St John not to exploit their donors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would trust St John to use fundraising techniques that are appropriate and sensitive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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### Appendix E: Final page for participants in the retrospective condition of Experiment 1 who made a donation









Please indicate what percentage of your donation would you be happy for St John to use for administration costs?

%

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*Appendix F: Donation page for the low information condition of Experiment 2.*

  
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A proportion of every dollar donated to St John is used to support the administration function of the organization. St John's administration expenses include personnel, supplies, vehicles and marketing activities. Of the monies donated to St John, 15.6 cents of every dollar is used to cover their administration costs. Please indicate how you would like your donation to be used by St John by entering your donation amount into the boxes below. Then press the next button.

St John services and products	\$ <input type="text" value="0"/>
St John administration costs	\$ <input type="text" value="0"/>
<hr/>	
Total	\$ <input type="text" value="0"/>



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*Appendix G: Donation page for the high information condition of Experiment 2.*



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A proportion of every dollar donated to St John is used to support the administration function of the organization. St John's administration expenses include personnel, supplies, vehicles and marketing activities. Please refer to the table below to see how St John uses monies for administration costs.

Administration Expenses	Percentage Cost (%)
Personnel	22.9
Operating	0.7
Vehicles	0.2
Office	0.4
Computer/Communications	0.7
Marketing/Fundraising	31.1
External Fees	14.9
Depreciation	0.02
Levies	4.8
Apportioned costs	24.2
<b>Percentage of each dollar used for Administration</b>	<b>15.6</b>
<b>Percentage of each dollar used for Programmes and Services</b>	<b>84.4</b>

Please indicate how you would like your donation to be used by St John by entering your donation amount into the boxes below. Then press the next button.

St John services and products

\$

St John administration costs

\$

---

**Total**

\$

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*Appendix H: Participant Information Sheet***Donor Behaviour Study**

The aim of the study is to look at on-line donor behaviour. The study will take approximately five minutes to complete. Upon completing this study you will be reimbursed \$5 for your participation.

**Instructions**

This study will require you to interact with a non-profit organization website. The homepage of the website is inactive with the exception of the 'Please donate now' and 'No thank you' buttons, which are active. During the study you will be given an opportunity to make a donation using your \$5 to St John, a New Zealand based non-profit organization. One hundred percent of your donation will be given to St John.

**Informed Consent**

Your participation in this study is entirely anonymous and confidential. Further, participation is voluntary and you are able to withdraw your participation at any time.

By completing this survey you are consenting to the publication of the results on the basis that no individual is identified.

If you have any questions about this research please contact Associate Professor Chris Burt email [Christopher.burt@canterbury.ac.nz](mailto:Christopher.burt@canterbury.ac.nz) or Skye Williams email [skye.williams@pg.canterbury.ac.nz](mailto:skye.williams@pg.canterbury.ac.nz)